Honolulu, Hawaii FELMAM 27, 2014

RE: H.B. No. 2342 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2342 entitled:

"A BILL FOR AN ACT RELATING TO ELECTRONIC FILING OF TAX RETURNS,"

begs leave to report as follows:

The purpose of this measure is to authorize the Department of Taxation to require the electronic filing of tax returns, including by assessing a two percent penalty of total tax owed, for noncompliance.

The Department of Taxation supported this measure. The Tax Foundation of Hawaii and Hawaii Appleseed Center for Law and Economic Justice provided comments.

Your Committee notes that vendors often charge a processing fee for transactions. Your Committee further notes that discussion was raised as to how this charge may or should apply to taxpayers filing electronically.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

HB2342 HD1 HSCR FIN HMS 2014-2004-1

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2342, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2342, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committee on Finance,

SYLVIA LUKE. Chair

State of Hawaii House of Representatives The Twenty-seventh Legislature

HSCR 659-14

Record of Votes of the Committee on Finance

Bill/Resolution No.:	Committee Referral:	Date		
нв 2342	FIN		2/12/2014	
θ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: θ Pass, unamended (as is) Pass, with amendments (HD) θ Hold θ Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)				
2. NISHIMOTO, Scott Y. (VC)			·	
3. JOHANSON, Aaron Ling (VC)				
4. CULLEN, Ty J.K.				
5. HASHEM, Mark J.				
6. ING, Kaniela				SEXONE Members
7. JORDAN, Jo				
8. KOBAYASHI, Bertrand		La Cara de	· · · · · · · · · · · · · · · · · · ·	79
9. LOWEN, Nicole E.				
10. MORIKAWA, Dee		nne Sill County & County County (Albert Albert Albe		
11. ONISHI, Richard H.K.				
12. TAKAYAMA, Gregg			John Calle action as who states to the con-	Salara and the salara
13. TOKIOKA, James Kunane				
14. WOODSON, Justin H.				y <u> </u>
15. YAMASHITA, Kyle T.	<u> Itali</u> eta/ji			
16. FUKUMOTO, Beth			Cale (Scorphage & Cale) Silmen (S.P. S. William	- of the State Area Management of the control to the
17. WARD, Gene				
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TOTAL (17)	111			
The recommendation is: Adopted B Not Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
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